

## WEST DUNBARTONSHIRE COUNCIL

### Report by the Executive Director of Housing, Environmental and Economic Development

Council: 26 October 2011

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**Subject: HRA Capital Programme 2011/2012 Budgetary Control Report to  
31 August 2011 (Period 5)**

#### **1. Purpose**

**1.1** The purpose of this report is to advise Members on the progress of the HRA Capital Programme 2011/2012 and to allow Council to monitor performance.

#### **2. Background**

**2.1** Council agreed the revised 2011/2012 HRA Capital Programme at its meeting on 28 September with a planned spend of £20.766m.

**2.2** This report details expenditure against the various budget headings up to 31 August 2011.

#### **3. Main Issues**

**3.1** The planned expenditure on the Capital Programme, with matched projected resources, is £20.766m (see Appendix A).

**3.2** A summary of the expenditure to 31 August 2011 on each main budget heading is attached at Appendix B. Expenditure to 31 August 2011 totals £4.492m.

**3.3** Members will note that the actual spend to 31 August 2011 is compared to the phased capital budget at 31 August 2011 amounting to £4.935m, resulting in an underspend to date of £0.443m.

**3.4** Details of the actual expenditure and phased budget to 31 August 2011 on each detailed budget heading are attached at Appendix C.

**3.5** As reported to Council on 28 September 2011 the under spend currently identified relates mainly to structural works to properties in South Drumry to the value of £0.950m. At present the most recent structural information available has placed some doubt as to the full extent of the need for the planned structural works. The position is currently being reviewed and further information will be reported to Members when available. This is the most significant variance highlighted at present, due to the delay in progressing these works, and the budget is showing an underspend at this time of £0.391m against the "Structural Works" line on the attached Appendix.

**3.6** On 26 May 2011 Members of the Housing, Environment and Economic Development Committee approved a proposal to submit a bid to the Innovation and Investment Fund for grant funding to build up to 75 new council houses. The Council has been awarded a total of £2.250m to build 75 new council houses as noted below.

- (a) Granville Street, Clydebank - 24 Units
- (b) Valeview, Dumbarton - 36 Units
- (c) Miller Road, Vale of Leven - 15 Units

**3.7** Further details will be contained within an update report to be submitted to the Housing, Environment and Economic Development Committee on 2 November 2011. The financial implications of above projects will be incorporated into the HRA Capital Plan for 2012/13. It is not anticipated that any significant spend will be incurred in the current financial year.

#### **4. People Implications**

**4.1** There are no people implications.

#### **5. Financial implications**

**5.1** The main underspend is due to the review of the need to progress structural works to South Drumry, the outcome of which will inform officers and help determine the most appropriate course of action that should be recommended to Members regarding this budget.

#### **6. Risk Analysis**

**6.1** The main risks are as follows:

- (a) As a consequence of current market conditions, capital receipts may either not be received or they may be less than anticipated.
- (b) The present variance should be viewed in the knowledge that there are a number of variable factors which could arise between now and 31 March 2012 which could affect the year end spend.

#### **7. Equalities, Health & Humans Rights Impact Assessment (EIA)**

**7.1** No equalities impact assessment was required in relation to this report.

#### **8. Strategic Assessment**

**8.1** The Council has identified four main strategic priorities for 2011/2012, namely Social & Economic Regeneration, Financial Strategy, Asset Management Strategy; and Fit for Purpose Services.

**8.2** The HRA capital plan contributes to both Social & Economic Regeneration and the Asset Management Strategy via the provision of high quality housing.

## **9. Conclusions and Recommendations**

- 9.1** Spend to date is lower than the profiled budget, however, this will be monitored and appropriate action taken as necessary depending upon the outcome of the structural review as noted at 3.5 above.
- 9.2** Members are asked to note the position to date as outlined in appendices A, B and C.

**Elaine Melrose**

**Executive Director of Housing, Environmental and Economic Development**

**Date: 10 October 2011**

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**Appendices:** Appendix A - Capital Programme Resources  
Appendix B - Summary of Expenditure to 31/08/11  
Appendix C - Details of Expenditure to 31/08/11

**Background Papers:** HRA Capital Programme 2011/12 - Council 28 September 2011

Bid Submission to the Innovation and Investment Fund for New Council House Building - Housing, Environment and Economic Development Committee 26 May 2011

**Wards Affected:** All